

**SUMMARY ANALYSIS OF AMENDED BILL**

Author: Battin Analyst: Victoria Favorito Bill Number: SB 41  
 Related Bills: See Prior Analysis Telephone: 845-3825 Amended Date: January 29, 2007  
 Attorney: Patrick Kusiak Sponsor: \_\_\_\_\_

**SUBJECT:** California Fallen Firefighters Assistance Tax Clarification Act Of 2006/ Payments By Charitable Organizations To Certain Firefighters Treated As Exempt Payments

- ☒ DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as introduced December 21, 2006.
- ☐ AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.
- ☐ AMENDMENTS DID NOT RESOLVE THE DEPARTMENTS CONCERNS stated in the previous analysis of bill as introduced/amended \_\_\_\_\_.
- ☐ FURTHER AMENDMENTS NECESSARY.
- ☐ DEPARTMENT POSITION CHANGED TO \_\_\_\_\_.
- ☐ REMAINDER OF PREVIOUS ANALYSIS OF BILL AS INTRODUCED/AMENDED \_\_\_\_\_ STILL APPLIES.
- ☐ OTHER – See comments below.

**SUMMARY**

This bill would allow certain charitable organizations to distribute payments to the family members of firefighters killed in the Esperanza fire by deeming such payments as made in furtherance of the charitable purpose of those organizations.

**SUMMARY OF AMENDMENTS**

The January 29, 2007, amendments removed language that added the bill's provisions to the Revenue and Taxation Code. The amendments would instead make the bill's provisions uncodified law applicable to payments made on or after October 26, 2006, and before June 1, 2007. The previous revenue estimate still applies and is included below for convenience. Except for the discussion in this analysis, the remainder of the department's analysis of the bill as introduced December 21, 2006, still applies.

Board Position:

<input type="checkbox"/> S	<input type="checkbox"/> NA	<input type="checkbox"/> NP
<input type="checkbox"/> SA	<input type="checkbox"/> O	<input type="checkbox"/> NAR
<input type="checkbox"/> N	<input type="checkbox"/> OUA	<input checked="" type="checkbox"/> PENDING

Legislative Director

Date

Brian Putler

2/2/2007

## EFFECTIVE/OPERATIVE DATE

As a tax levy, this bill would be effective immediately upon enactment and, by its terms, operative for payments distributed by a charitable organizations to a family member of a firefighter killed in the Esperanza fire on or after October 26, 2006, and before June 1, 2007.

## POSITION

Pending.

## ECONOMIC IMPACT

The estimated revenue impact is as follows:

Revenue Analysis for SB 41, as amended 01/29/2007 Effective Immediately Upon Enactment (\$ in Millions)			
Fiscal Year	2006-07	2007-08	2008-09
Tax Exemption	a/	\$0	\$0

a/ Insignificant revenue loss of under \$150,000.

This estimate does not consider any possible changes in employment, personal income, or gross state product that could result from this bill.

### Revenue Discussion

This bill targets charities that would otherwise potentially lose their California tax-exempt status as a result of the dispersal of funds to private individuals that is already specifically authorized under federal law. Allowing these entities to retain tax-exempt status would result in an insignificant revenue loss. This analysis assumes affected entities' exempt status would be revoked for just one year and would be reinstated thereafter.

## LEGISLATIVE STAFF CONTACT

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